



U.S. Immigration  
and Customs  
Enforcement

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# News Release

## **NEWPORT BEACH MAN PLEADS GUILTY TO SELLING COUNTERFEIT DESIGNER LEATHER GOODS**

SANTA ANA, Calif. – An Orange County man accused of selling large quantities of counterfeit designer leather goods out of his home in an upscale Newport Beach neighborhood pleaded guilty in federal court yesterday to two counts of trafficking in counterfeit goods.

Terry Smith, 57, was arrested a year ago by U.S. Immigration and Customs Enforcement (ICE) agents following a search of his residence in Newport Coast. There, ICE agents seized over 800 counterfeit designer handbags, wallets, belts, and other leather goods bearing copies of trademarks belonging to companies including Louis Vuitton, Prada, and Gucci. Boxes of the counterfeit merchandise were displayed on shelves, tables, and countertops primarily in the kitchen and garage.

“The profits from the sale of counterfeit merchandise worldwide often go to support other types of criminal enterprise,” said Loraine Brown, special agent-in-charge for ICE investigations in Los Angeles. “ICE is committed to working aggressively with private industry to dismantle these schemes.”

Smith advertised his “designer goods sales” in community flyers and penny savers. He told some prospective buyers the merchandise was authentic and claimed he could offer it at discounted prices because the items were factory seconds, irregulars, and overruns. Neighbors reported a constant stream of traffic to Smith’s home every day of the week. Smith represented to ICE agents that he often made more than \$10,000 a week, working out of his home during the week and traveling to shows on weekends.

Smith will be sentenced March 20, 2006 before the Honorable David O. Carter, United States District Judge. He faces a maximum penalty of 20 years in prison and a \$4 million fine.

# ICE #

*U.S. Immigration and Customs Enforcement was established in March 2003 as the largest investigative arm of the Department of Homeland Security. ICE is comprised of four integrated divisions that form a 21st century law enforcement agency with broad responsibilities for a number of key homeland security priorities.*